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Labour Party
(Great Britain)

Labour and the liquor trade

London

[1923]

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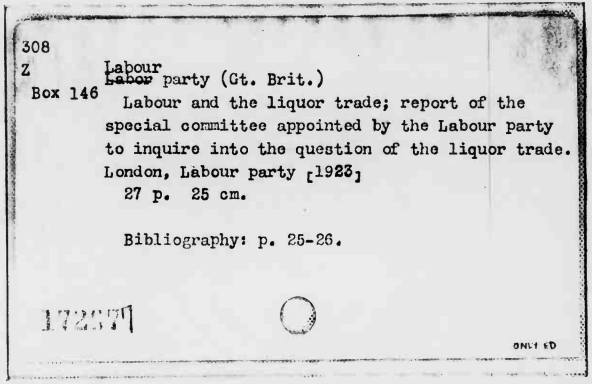

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LABOUR

AND

THE LIQUOR TRADE

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REPORT

of the Special Committee appointed by the Labour Party to inquire into the question of the Liquor Trade

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INTRODUCTION

By J. RAMSAY MacDONALD, M.P.

What is known as "the Drink Problem" is one of the most troublesome and difficult that the honest politician has to face to-day. The "Trade," the clubs, the prohibitionists, the local vetoists, one and all are apt to come down upon him just at the critical moment of an election and present an ultimatum that if he does not do exactly what they want they will throw their influence against him; and the more a man has done to stir up the public intelligence and conscience to a sense of decency, self-respect and good behaviour, the more often has he been put into difficulties about this matter. To crown all, one of the most worthless characters who ever sponged for fame and fortune on our public invented the catchword "Kill Joy," and men who have spent their lives in trying to bring true joy into the grey lives of the masses have been held up as sour-hearted and heavy-footed fellows whose hearts never sang for happiness and whose feet never danced for merriment.

The dull-witted Reaction has not suffered so much. The creed that things should be left alone, and that if a generation were to reel hilariously down to destruction, no organised attempt should be made to rescue it, has always commanded the support of the great respectable classes because their interests and their lethargy enlist them on that side.

Yet everyone admits that "the Drink Problem" is pressing both from a moral and an economic point of view; that the Trade has become a menace to the public life of the country, and that it corrupts politics; that a temperate democracy is required to shoulder the responsibilities of popular government. Most people further admit that, with all the watertight organisations opposing each other or frowning upon each other, we make but scanty progress towards a settlement, and that the hustling that takes place between them absorbs much of the energy required for fighting the evil itself.

The Labour Party, in the interests of temperance itself, deplores not so much the difference of proposals as the exclusiveness by which they are held, and it appointed a representative Committee to consider and report upon the position in which the Temperance Movement now finds itself, and how the Party could best assist it. When a question has been long the subject of controversy, the champions tend to wear out ruts for themselves, and the greatest assistance that can then be given to them and their cause is for some fresh mind to come in, survey the position, and, by emphasising what they have in common, bring about a new co-ordination of effort.

An examination of the present position of the Temperance and Total Abstinence Movements shows one or two important things. One is that the habits of great masses of people lay them open to the designs of the Trade, and that does not only mean that opinion has not been sufficiently prepared yet for a wholesale measure of prohibition, however beneficial that might be for the country, but that the claims that working men rightly make to be allowed to enjoy clubs are apt to be undistinguishable from the manifestoes of the Trade itself. This is a great injustice to clubs, but its political purpose is to weaken the working-class vote and turn the social instincts of the workers against their political and economic interests.

Another important thing is that different parts of the country are prepared to try different means for dealing with the traffic. Scotland, for instance, is more inclined towards Prohibition than England; some districts are ready to respond to Local Veto; others to Public Control. Much depends upon the nature of prevalent occupations, the religious life of the people, the earnestness of political propaganda, the

activity of the Temperance Movements. Why should we wait for uniformity? Why not let the localities conduct their own experiments? From this point of view the Scottish Licensing Bill may be taken as a good foundation. The Labour Party includes members who believe in all the different methods, and this Report shows how all can co-operate in different ways for the common end of sobriety and decent living.

One of that great mass of errors taught by a superficial proverbial philosophy is that men cannot be made sober by Act of Parliament. Of course they can—and drunk too. This Report shows how the various sections of reformers can work together; how public opinion can be used with a maximum effect in one way or another; how the various methods can be sifted out by experiment; how beginnings can be made in educative legislation. Our national drink bill, the unhappy state of too many of our families, our experiences at elections, the distorted views held by so many of our people as to what happiness is, the demoralising effect of excessive drinking, all show that whenever the problem is seriously tackled it will not be faced a day too soon.

The drink problem is at root a moral issue, and political parties who have to deal with it by legislation must challenge, more definitely than they ever have done, all the moral agencies of the country to face their civic responsibilities, to help in the making of right public opinion in the first place, and then to support every attempt to embody that opinion in law.

FOREWORD

At the Edinburgh Conference of the Labour Party in June, 1922, the following resolution was passed, in substitution for numerous conflicting resolutions and amendments, of which notice had been given :—

> "The Conference, recognising the importance and complexity of the question of the Liquor Trade, and the necessity of formulating, as soon as possible, a considered and comprehensive Labour Party policy thereon, refers to the Executive Committee the resolutions and amendments now before it, and all resolutions on Liquor Policy passed by previous Labour Party Conferences, and instructs the Executive Committee to conduct an inquiry into the question and submit a report on it in time for consideration by the Conference in 1923."

The Executive Committee thereupon appointed a Special Committee to inquire into the problem, consisting of Mr. Sidney Webb, M.P. (Chairman), Dr. Ethel Bentham, Miss Susan Lawrence, L.C.C., Mr. Morgan Jones, M.P., Mr. R. J. Davies, M.P., Mr. F. O. Roberts, M.P., and Mr. W. H. Hutchinson, with J. S. Middleton (Secretary).

The Committee held ten meetings. In addition to considering much published information, and receiving memoranda from the organisations responsible for the various proposals which appeared on the Edinburgh Conference Agenda, the Committee heard evidence from the following witnesses:—

Mr. Leif Jones and Mr. G. B. Wilson (United Kingdom Alliance).

Mr. Ben Turner, M.P., and Mr. J. J. Mallon (Committee of the Labour Campaign for the Public Ownership and Control of the Liquor Trade).

Mr. John Robertson, M.P., Mr. T. Johnston, M.P., Mr. J. Brown, M.P., and Mr. J. Stewart, M.P. (Scottish Group of the Parliamentary Labour Party).

Mr. D. R. Grenfell, M.P. (Welsh Group of the Parliamentary Labour Party).

Rev. Henry Carter (Temperance Council of the Christian Churches of England and Wales).

Mr. B. T. Hall (Working Men's Club and Institute Union).

Viscount Astor (representing the promoters of the Liquor (Popular Control) Bills—1922 and 1923).

Sir Edgar Sanders (General Manager of the Carlisle and District Direct Control Area under the Central Liquor Control Board from July, 1916, to March, 1921).

Mr. Arthur Sherwell (Temperance Legislation League).

Mr. George Middleton, M.P. (Carlisle).

Mr. F. P. Whitbread (Chairman of the National Trade Defence Association).

Mr. F. Nicholson (Chairman of the Brewers' Society).

Mr. T. Anderson (President of the Scottish Licensed Trade Defence Association).

Mr. Allan S. Belsher (Chairman of the London Central Board of Licensed Victuallers).

Mr. W. J. Coates (President of the Licensed Victuallers' National Defence League).

Mr. A. J. Giles (Secretary of the National Federation of Off-Licence Holders' Associations).

The information thus obtained by the Committee was far too voluminous to be printed in full. The Committee, therefore, after a preliminary survey of the nature of the problem, confined its report to summaries of the main points put forward

on behalf of the various interests which were consulted, together with a final statement of the case as it appeared to the Committee.

The Report was presented to the National Executive of the Labour Party at its meeting in June prior to the holding of the Annual Conference, 1923. It was decided to issue it as a separate document, and to circulate it to affiliated organisations. At the Conference, the Report was accepted and the Executive Committee's decision approved.

Affiliated Organisations are reminded that notices of resolutions relating to the subject of this pamphlet, intended for consideration at the Annual Conference in June, 1924, should be received by the Secretary early in that year.

LABOUR
AND
THE LIQUOR TRADE

We need but little reminder of the nature and magnitude of the social problem presented by the traffic in alcoholic drink.

There is, first, the expense to the community of the mere consumption of alcoholic beverages. This may be viewed, in the first place, as the net cost of the production and distribution of the beverages consumed, which may be roughly estimated, at the present price level, after allowing for mere transfer to the Government in taxation, as between 185 and 215 million pounds per annum, out of a total national income in products and services of something between 3,000 and 4,000 million pounds per annum. This net cost of, say, 200 million pounds annually represents far more than the net yearly cost from public funds of education (say, 140 million pounds); or the net cost of erecting 100,000 five-roomed cottages (say, 40 million pounds).

Even more striking is the magnitude of the actual expenditure on alcoholic beverages by those who consume them (including taxation and the profits of the trade). In 1921 this annual "drink bill" was estimated at over 400 millon pounds, and in 1922, in a year of great unemployment, at 354 million pounds. This sum would, at present prices, have built nearly one million five-roomed cottages, and would thus, in a single year, have completely removed the housing shortage from one end of the Kingdom to the other. If the labour and capital, and the enterprise and managerial ability, now put into the drink traffic could be diverted to the production of something of more durable utility to the community—whether additional houses, better schools and colleges, or even more food and clothing for such of the young people as are now growing up on the verge of destitution—both the wealth and the well-being of the nation would be greatly increased.

But the third way in which the expenditure on alcoholic drink must be viewed is even more significant. It may be estimated that, of the alcoholic beverages, at least three-quarters in quantity, and probably something like half in cost, are consumed by the four-fifths of the people who are manual working wage-earners. Out of a total wage-earning income during 1922 which can hardly have much exceeded 1,000 million pounds, we may infer that at least 200 million pounds was spent on this one item of alcoholic beverages. It is urged in some quarters that this proportion, in a time of exceptional stress, cannot be deemed other than unthrifty and in every sense unwise. At least it means that less is done for the wives and children than might otherwise be possible. The annual expenditure on alcoholic beverages of the nine million British manual working wage-earning families, taken as a whole, appears to be about as much as the whole of the rent that they pay for the cottages and tenements which now constitute their homes. It is more than the whole of the purchases at the Co-operative Stores of the one-third of these families who form the Co-operative membership. It is probably ten times as much as all the wage-earners pay to their Trade Unions and Friendly Societies. The equally great expenditure on the more expensive alcoholic beverages by the much less numerous middle and upper classes is no less extravagant in its own way.

The mere expenditure on alcoholic beverages by no means exhausts the cost to the community. Besides the expense to those who drink in due moderation, the cost to

the nation, as well as to the victims themselves, involved by the excessive drinking of what is, statistically, only a small proportion of the whole people, is very great. There is an impressive consensus of opinion, not merely among temperance advocates, but among the persons officially concerned, that a very large proportion of our social expenditure is a direct consequence of alcoholic excess. We cannot compute how much might be saved—if there was no "liquor traffic"—of our present annual expenditure on lunatic asylums (7 millions), police and prisons (26 millions), and poor relief (25 millions). Without the crimes and disorder to which drunkenness so frequently leads; without the destitution to which in many cases the large proportion of wages now spent on alcoholic beverages unhappily conduces, it is urged that nearly all our social problems would be transformed. Without the ill-health due to alcoholic excess, our present overcrowded hospitals and infirmaries might become available for the large numbers of sick persons who cannot now receive hospital treatment.

We have left to the last the cost to the community, as well as to the individual, that is involved in the impairment of health, of physical strength and of mental capacity due to the consumption of alcoholic beverages. We do not suggest that it is yet proved that a merely moderate consumption of alcoholic beverages is actually injurious to health. But the evidence is, we think, strong that alcoholic beverages are in no way necessary to health, or actually required even for the hardest physical labour. It is undeniable that any excessive consumption, though falling short of intoxication, even if only occasional, is physiologically injurious, inconsistent with a high standard of health, and demonstrably incompatible with the fullest mental and physical output, whether in quantity or quality. What is even more serious, from the standpoint of the community, is that the habit of consuming alcoholic beverages is a dangerous one, in that a substantial proportion of those who begin as moderate drinkers are occasionally beguiled into injurious excess, whilst some at least each year pass into the ranks of the habitual drunkards. At the same time, there ought not to be exaggeration of the evil. Taking the population as a whole, the consumption of beer has fallen steadily, through good times and bad times alike, from 32 standard gallons per head in 1877 to less than 19 in 1921; that of spirits from 1.21 proof gallons per head in 1877 to 0.39 in 1921; and that of wine from 0.53 gallons per head in 1877 to 0.24 in 1921. It is, however, not clear to what extent this aggregate decline has been due to an increase in the proportion of total abstainers, and to a diminution in the daily consumption of the moderate drinkers. The decline is, in fact, statistically not inconsistent with an actual increase in the numbers of drinkers to excess and in their consumption. We think that the conclusion cannot be escaped that, whatever loss of pleasure might be involved in a total abandonment of the consumption of alcoholic beverages, there would be little or no loss of health or efficiency; and, on the other hand, a vast, though incalculable, gain in health and strength, in physical and mental capacity, and especially—taking into account the improved social conditions obtainable from the amount now spent in drink—in both quantitative and qualitative efficiency. Our failure as a nation to achieve these improvements must be counted as part of the public cost of the drink traffic.

NO SUDDEN CHANGE PRACTICABLE

We hasten to say, however, that in our view, no sudden reformation, and indeed no complete change among the whole population within any brief period, is attainable. We know of no way in which, in this or in other matters, a whole people can be brought in a single year, or even in a single decade, to effect any such sweeping change in individual desires or personal habits. Least of all can we expect to effect such a sudden and simultaneous revolution merely by an Act of Parliament.

NATIONAL PROHIBITION

Some enthusiastic reformers have been so much impressed by the example of the United States that they ask the Labour Party to include in its programme a Prohibition Law, which should render criminal the manufacture, distribution, transport and sale of any alcoholic beverages (apart from what may be required for medicinal use, or in connection with religious observances). Such a law, it is contended, would, as in the United States, at once destroy what is regarded as a national evil of the first magnitude; it would put the brand of crime and the stamp of public censure upon an injurious habit; and whilst it would (like all laws) be evaded and even defied, its mere enactment, with the support of a majority of the electorate, and its steadily increasing enforcement, would exercise a continuous influence on public opinion, especially on the one-half of the population which is not yet adult; and would, in due course, make the prohibition as generally effective, and as little resented or thought about, as the law against arson has become.

We cannot take this view. We see no sign that the British people are at all likely to be willing to vote, even by a mere majority, for a measure of National Prohibition, within any space of time that we can usefully consider. We do not think that any such measure, even if enacted by a majority of votes, could possibly be put in force generally, unless there had already taken place such a change of opinion, and such a transformation of personal habits, as would inevitably have led to the adoption of other measures of reform—such as those described in the subsequent parts of this Report—which might possibly have transformed the problem.

So far as the example of the United States is concerned, we must point out that the Constitutional Amendment enforcing National Prohibition has come only as the culminating stage in three-quarters of a century of other Temperance reforms, including a wide adoption of Local Veto. How far, even after so long a preparation of public opinion, the American law has been a success, is a matter of dispute.

We need only say that, so far as Great Britain is concerned, we deprecate the absorption of the time and energy of reformers in what we regard as, within view, an impracticable measure.

PROPOSALS FOR GRADUAL IMPROVEMENT

We have now to consider the various proposals for gradual reform, which may be summed up as Local Veto, a more extensive Local Option, the system of Public Ownership and Control exemplified in the Carlisle district, and the Popular Control Bill in which they are all to some extent embodied. We emphasise the fact that we have, in these sections of this report, confined ourselves to summarising, with complete impartiality, the evidence laid before us by those favourable to each of the proposals.

LOCAL VETO

The argument for Local Veto, like that for Prohibition, starts from the proposition that the liquor traffic is a dangerous and socially-harmful trade, that of necessity has been the subject of restriction and regulation since 1552. The drink bill of the nation, exceeding £400,000,000 in 1921 and £354,000,000 in 1922, is viewed as an unjustifiable drain on the nation's resources and a diversion from productive industry to that of an extravagant and unnecessary luxury and at its worst a social poison. Drink, crime, pauperism, lunacy, disease, and social demoralisation are all inextricably interwoven, and the nature of the trade is therefore deemed perilous and destructive. State Interference and its right to suppress the trade in accordance with popular vote is justified on the simple ground of the recognised right on the part of society to prevent men from doing as they like, if in their peculiar tastes in doing as they like they create a social nuisance.

It is claimed that the present licensing system proceeds on the assumption that prohibition is the present law of the land except for the loopholes sanctioned by the licensing authorities. The State at present interferes drastically with individual liberty to sell drink at least as seriously as it is proposed to interfere with individual liberty to buy. It is claimed that the right attitude of the State towards the traffic is one of progressive restriction, and while theoretically Prohibition is thus justified, caution impels the necessity of the sanction of public opinion being first secured.

Opinions differ as to the size of the area in which the community should exercise the power of veto, but in the Liquor Traffic Local Veto (England and Wales) Bill, 1922, the parish is the area prescribed in a rural district, and in the case of a borough or urban district either the whole of such borough or district or a ward thereof. This bill provides that a requisition for a poll must be signed by one-tenth of the Parliamentary electors in the area, to be presented to the local authority concerned in September of each year. The ballot paper prescribes the simple issue: "For No Licence" or "For Licence," and if the majority vote for the first-named policy then, notwithstanding anything contained in any Act of Parliament, no licence to premises within such area for the sale by wholesale or retail of intoxicating liquors shall be granted or issued. Similar prohibitions shall apply to the sale, delivery, or purchase by clubs, co-operative associations, companies, and individuals within the area. No further poll shall be taken within three years, unless in the interval a further requisition is presented requiring the authority to poll the electorate on the recission of such prohibitions as have been already decided. All retail houses are to be closed during the polling hours and the expenses of the poll are to be defrayed from the local rates. The sale of methylated and other spirits for use in arts or manufactures, of intoxicants solely for medicinal purposes, and of wines exclusively for sacramental purposes remains unaffected.

This bill does not contain options for either the reduction or the increase of licences. The Scotland (Temperance) Act provides for reduction, and it is understood that the organised Local Veto movement would not oppose a similar provision in a measure applying to England and Wales. It would resist any option allowing for an increase in licences, the argument being that just as a standard has been set by legislation for education, factory conditions, and public health, which in any locality even democratic opinion is not allowed to lower, so the present standard of facilities affecting the liquor trade must not be relaxed.

The law, under Veto, would not prevent a moderate drinker from buying his drink outside the no-licence area, provided that all the essential elements of the sale take place beyond the borders. He would be able to bring his drink to his home or under proper conditions have it sent there. The inconvenience thus occasioned admittedly increases as the system spreads, but it is urged that the reduction of facilities by popular vote is accompanied by a marked diminution of drinking and drunkenness. It is also emphasised in some quarters that the system is calculated to enlist the support of moderate drinkers who will vote to prevent the licensing of premises near their own places of business or residence.

The economic aspect of the elimination or reduction of liquor consumption is urged upon business men and labouring masses alike by that suggestion that the £350,000,000 at present spent in drink would give greater employment were it diverted to the purchase of other products. Retail shopkeepers, co-operative stores, and the manufacturers behind them would feel the force of the new demand. It is urged that workpeople would be more efficient, more accurate, less exposed to accidents, less hampered by absenteeism, and much more accessible to Trade Union organisation, and in consequence would be able to demand higher wages and so enjoy a fuller life.

Public opinion would be gradually educated to a sense of responsibility for whatever drink tragedies may follow the renewal of licences, and the effect of no-licence campaigns in this direction, as observed in America and New Zealand, is deemed conclusive. Similarly, the influence on the publican and the trade generally is calculated to be of a cautionary character, the power of popular veto, in the opinion of its advocates, providing an effectual security against lax management or disorderly practices and a guarantee against corruption and abuse.

LOCAL OPTION

Considerable confusion exists between "Local Veto" and "Local Option." It may be taken, however, that Local Veto means a simple decision by vote on "Licence," or "No Licence," while Local Option is intended to give the electorate a wider range of choice. For instance, in the Scotland (Temperance) Act the options provided are (*a*) No change; (*b*) reduction of licences by one-fourth; (*c*) no licence. It also provides that in no-licence areas exceptions can be made for the continuance of hotels and licensed restaurants; nor are existing wholesale liquor licences and clubs affected by the Act.

The Act was passed in 1913, but the first polls were not to be taken until 1920, when they were conducted at the same time as the municipal elections. The following is the summary of the official return of the voting:—

	Burghs	*Counties*	*Total*
Number of Areas in which Polls were taken ..	318	266	584
Resolutions carried:—			
No Change	265	244	509
Limitation	27	8	35
No Licence	26	14	40
Number of Electors entitled to Vote	1,350,623	346,628	1,697,251
Percentage of Electorate voting ..	*71.7*	*61.4*	*69.6*
Number of votes recorded:—			
No Change	577,269	131,458	708,727
Percentage of votes recorded ..	*59.6*	*61.7*	*60.0*
Limitation	17,980	1,420	19,400
Percentage of votes recorded ..	*1.9*	*.1*	*1.6*
No Licence	373,171	80,107	453,278
Percentage of votes recorded ..	*38.5*	*37.6*	*38.4*
Total	968,420	212,985	1,181,405

	Burghs	*Counties*	*Total*
Cost of polls	£20,898 8 7	£8,828 15 6	£29,727 4 4

Following re-polls three "no licence" areas voted for "limitation," and two for "no change," while one "limitation" area voted "no change." The total number of licences withdrawn in the "no licence" areas was 240, and in the "limitation" areas 135—375 in all out of 9,372 existing in Scotland previous to polling. The Act, which gave seven years' notice, does not provide for compensation. The Scottish Licenses Mutual Insurance Association, Ltd., had instituted a special voluntary insurance scheme under which funds amounting to £193,664 had been accumulated during the time-limit period, 1913–1920, and were subsequently augmented by increased premiums of £1 per cent. (the limit of increase is £2 per cent.). The polls in 1920 resulted in a liability for claims totalling £256,114, representing some 150 licences which had been suppressed. The total insurance covered by the Association in 1922 was £3,994,766.

At its last annual meeting the chairman of the Association asserted that the holding

of the polls on the same day as the municipal elections doubtless operated to the benefit of the trade owing to the larger number of electors voting than would otherwise have been the case. The concentration of the Temperance Party on "no licence" instead of "limitation," he also held, raised the opposition of the moderate-minded electors, and he anticipated as a result of different conditions prevailing at the 1923 polls there will be a larger number of licences lost, though owing to diminished trade their value will probably be smaller.

It may be noted that there has been practically no club movement in Scotland comparable to that existing south of the Border, and in some districts for over 70 years the Sunday sale of intoxicants has been prohibited. Under the operation of the 1913 Act unrestricted powers were given to Sheriffs to license clubs in areas where "no licence" decisions had been registered, with the result that a few clubs have been instituted in some districts despite the opposition of the Local Authorities concerned, and the Sunday sale in such clubs is now permitted. This is a grave flaw in the Act, in the opinion of the representatives of the Scottish Labour Movement, who, in fulfilment of repeated Scottish Conference decisions, have engaged actively in the "no licence" campaign. Temperance opinion generally favours the inclusion of clubs under the provisions of Local Option, and the limitation of the polling areas to wards in the larger towns and cities is opposed.

The general effect of the Scottish districts favouring "no licence" has been the subject of a report issued by the Scottish National Citizens' Council, from which the following notes are extracted:—

Lerwick (Shetland Isles), seventeen licences extinguished. Chief Constable reports reduction from seventy-four to six cases where persons charged before the court were the worse for drink when the offence was committed. School Board officer and Inspector S.P.C.C. report children better clothed and better fed.

Wick (Caithness), twenty-seven licences extinguished. During three months following extinction of licences, one person reported for drunkenness as against twenty in similar period in previous year, and thirty for other offences mainly attributable to drunkenness.

Stornoway (Isle of Lewis), four licences extinguished. Superintendent of Police reports decrease in offences, and states that if wholesale licence were abolished or withdrawn there would be no drunkenness at all.

Cambuslang (near Glasgow), thirty-one licences extinguished. No business failure since 1920, when vote was taken. One publican converted both of his premises into bread and cake shops and two other lately-licensed houses have been leased as banks. (In this area the Sheriff issued six club licences for seven days sale.)

Kirkintilloch (near Glasgow), eleven licences extinguished. A rapid decline in police statistics is reported, it being no unusual thing to have no court for a month. More butchers', bakers' and grocers' vans visiting the town than previously. Medical officer reports lowest record of infant mortality in 1921.

Kilsyth (Stirlingshire), seventeen licences extinguished. Mr. John Wilson, Manager of the Kilsyth Co-operative Society, reports that despite reduction of wages of mining population from 20*s.* per day in 1920 to about 8*s.* 6*d.* per day in 1922, and the depletion of savings by a mining dispute in 1921, the Kilsyth Society sold 98 tons more sugar, 3 tons 12 cwt. 48 lbs. more tea, 54 tons more potatoes, 71,760 more eggs, and 45 tons 4 cwt. more butter during the year ending June, 1922, than during the year ending June, 1920. Ten other Co-operative Societies within 20 miles radius of Glasgow show decreased money value in trade for the same period of 36, 40, 41, 42, 44, 46, 48, 49, 51, and 54 per cent., while that of the Kilsyth Society was only 32 per cent. All the ten other Societies show a decrease in shares and loans held by members, while Kilsyth reports an increase of 33 per cent.

Naturally, many of the assertions made in the above and similar reports do not pass unchallenged by representatives of the trade. Shebeening in some districts is alleged and reduced trade in shops and stores is attributed to purchasers patronising establishments in licensed districts beyond the borders of their own dry areas. The inception of clubs in Scotland does not meet with the approval of the trade, and much is made of the uncertainty under which licence holders pursue their calling and which militates against genuine attempts to meet the admitted need for improvements in licensed premises and their amenities.

Licensing magistrates in Scotland are such in virtue of their election to office in local government, and it is alleged that a bench so constituted is not so fair nor so free from political influences in its decisions as to the extinction of licences in "limitation" areas as the Sheriff or Sheriff-substitute would be.

A Licensing (Scotland) Amending Bill was introduced on behalf of the trade interests in 1922. This seeks to establish Courts of Appeal consisting of justices other than licensing justices, presided over by the Sheriff-substitute and operating over county areas. It also provides for the introduction of public houses of an improved type, where the provision of refreshments and non-alcoholic beverages would be made obligatory and where lawful recreation may also be provided. By-laws governing the structure and conditions of these approved and certificated houses will require the approval of the Court of Appeal and the Secretary for Scotland, and in view of the outlay involved greater fixity of tenure is provided for. A scheme of compensation is also included whereby the trade itself will provide for the reduction of 20 per cent. of the existing certificates over a period of twenty years, the rate of levy increasing year by year from 1.01 per cent. in the first year to 1.25 per cent. in the twentieth year. The main clauses of the Temperance (Scotland) Act, 1913, are to be repealed and the licensing court given powers to grant certificates for approved houses and off-licence premises in existing "no licence" areas up to a limit of 75 per cent. of the number in force prior to the "no licence" vote, such certificates to be in similar proportions as before, and as far as possible given to the applicants previously holding certificates.

THE CARLISLE CONTROL SCHEME

The Carlisle experiment in Government control was occasioned by the erection of extensive munition works at Gretna in 1915, when over 15,000 workers were added to the population of the district. Lodging-houses became packed, men slept on staircases, and beds were let on a three-shift system. These conditions led inevitably to increased drinking, and the number of persons convicted for drunkenness rose from 277 in 1915 to 953 in 1916 (564 being in the first six months and 389 in the second six months).

On the recommendation of the Liquor Control Board the process of State Purchase began in January, 1916, when the licensed houses in the immediate vicinity of Gretna and in the neighbouring town of Annan were acquired, and in July, 1916, the whole of the trade in Carlisle was also taken over, followed later by an extension as far south as Maryport. The State thus became owner of five breweries and nearly 300 licensed premises throughout an area of over 500 square miles. Compensation to owners and licensees was the subject of amicable settlements in 95 per cent. of the claims, and in most instances the original tenants were appointed managers under the Board. Seven registered clubs were in existence and were allowed to continue, subject only to the restrictions as to hours and inspection imposed upon all clubs from time to time.

The Board of Management was kept informed of local opinion by monthly meetings of a Local Advisory Committee of men and women, including representatives of the Local Governing Authorities, the Magistracy, and the Trades Council.

Restrictive measures were immediately adopted, the licences in Carlisle being reduced from 119 to 69, 23 of those suppressed being of an annual value of £50 or less. Similar reductions were made in the rest of the area, a total of 117 out of 298 being suppressed by 1920. All grocers' licences were withdrawn; places licensed for the off-sale of spirits were reduced from 100 to 13; all liquor advertisements were removed from the licensed houses; and the sale to young persons was limited. The general policy was dictated by a desire to secure fewer and better houses, the provision of food and non-intoxicants, a general improvement in the conduct of the trade, and the complete elimination of private interest in the sale.

Many of the smaller houses being closed, the Board improved a number of the remaining premises with a view to greater amenities, seeking to provide larger, cleaner, roomier, and better-ventilated social centres where better supervision would be possible.

Food taverns were instituted in Carlisle, Longtown, and Annan, where good cheap meals are served for consumption on or off the premises. In the dining-rooms alcoholic liquors can be served only with a meal. The bars have been re-modelled, and the provision of music, magazines, billiards, and other games as counter-attractions has been an effective substitute for the previous incentives to over-drinking. Approximately, 570,000 meals were served in the taverns during 1920. Similar improvements were made in the structure and trading conditions of the country inns in the area, in which nearly 50,000 meals were served in the same period.

Central control reconciled the conflicting interests of competing brewers, the licensees, and the public as represented by the Licensing Justices. Two of the five breweries were closed almost immediately, and all brewing is now concentrated in one establishment. A second is used for bottling beer in place of twelve small bottling plants now closed. The reducing, blending and bottling of spirits are carried on in one central store as against seventeen separate establishments prior to control. Economies in transport and distribution have also been accomplished, and altogether the saving effected by this concentration on the wholesale and retail sides has been estimated at not less than £40,000 per annum.

The publican in the Carlisle area is now a salaried manager, with no incentive to increase the sale of intoxicants, but receiving commission on food and non-alcoholic sales only. The whole element of private gain has been eliminated, and the trade is now conducted with the sole aim of supplying a public demand in the most efficient and least objectionable manner.

No financial statement on the scheme has been published by the Government since Sir Edgar Sanders retired from the managership in 1921. The accounts show, however, that at March 31, 1922, the capital involved, consisting largely of accumulated profits, amounted to £942,301, while the trading profits, after providing for all outgoings including rates, taxes, and duties other than Income Tax (Schedule D) and Corporation Profits Tax, amounted to £92,313. Interest on Exchequer advances absorbed £20,772, and, after all other overhead charges had been met, the net surplus accruing to the State for the year was £60,616, a return equivalent to 6.42 per cent. on the average capital employed, in addition to interest already provided for.

Up to March, 1922, the total surplus provided by the scheme was £512,166, representing an average annual return of 11.3 per cent., or, including interest provided for, of 14.7 per cent. Of the capital employed in the undertaking 67 per cent. had been repaid to the State at the same date.

The scheme has secured the approval of the Chief Constable of Carlisle, who attributes the decline in drunkenness to the City's unique licensing system. The pre-war average of convictions was 250 per annum, and while the state of employment in the locality as well as the reduced strength and increased cost of alcoholic beverages

and the reduced hours of sale are all factors that have to be allowed for, the record during and since the war is noteworthy:—

Year	*Convictions*	*Year*	*Convictions*
1913	237	1918	80
1914	275	1919	78
1915	277	1920	136
1916	953	1921	154
1917	320	1922	94

The whole project has met with the continued opposition of the organised liquor trade in the country generally, as well as that of the more extreme temperance reformers. It has been approved, however, by successive Mayors of the City, and a Conference representing organised Labour in the area under control, held in November, 1919, by 220 votes to 1 adopted a resolution urging an extension of the principle of Public Ownership of the trade to the whole country with the provision of machinery for proper effect being given to public opinion. In January, 1920, a Memorial signed by thirty-two local clergy and ministers of religion was published approving the general working of the scheme, urging the appointment of the Local Advisory Committee by the popularly-elected bodies in the area, and hoping that "future liquor legislation would follow the lines which have proved so beneficial in the Carlisle area."

It has been represented to us that, whilst many of the criticisms of the details of the Carlisle experiment are clearly prejudiced, or based on misconception, there would be great advantage in providing some more easily accessible means of bringing every complaint to the notice of the management. It is said, also, that the representation of the wage-earning class on the Local Advisory Committee ought to be increased. Moreover, it is urged that there should be some participation in the management by both the salaried and the wage-earning employees of the enterprise itself, perhaps by the machinery of a representative staff council or "Whitley Council." Another cause of complaint is the very profitableness of the enterprise, which takes, it is alleged, much more out of the Carlisle district than was the case when the brewers and publicans were local profit-makers. It is, however, not clear that a larger amount is thus taken out of the Carlisle area, when full allowance is made for capital improvements, than would otherwise be taken in Income Tax, Super Tax and Death Duties. Finally, we have to record that the Carlisle enterprise places at the disposal of the local Trade Unions, on very favourable terms, extensive and convenient premises for the use of these organisations, without any inducement for expenditure by their members on drink.

POPULAR CONTROL

Following upon the experience of Temperance agitations in England and Wales, and of the Temperance (Scotland) Act, together with the promising results of the Carlisle experiment, the Liquor (Popular Control) Bill has been drafted with a view to securing agreement in a reform combining the advantages, and avoiding the drawbacks of previous attempts.

The Liquor (Popular Control) Bill varies the options provided by the Temperance (Scotland) Act by the substitution of an opportunity for State Purchase and for the trade to be conducted somewhat on the lines of the Carlisle experiment for the simple reduction of licences. The Bill was introduced in 1922, but has recently been revised prior to introduction in the House of Lords. It gives local government electors in minimum, but possibly larger, areas of boroughs and counties, excluding Wales, three options: (*a*) No change; (*b*) re-organisation of the trade; (*c*) abolition of licences. The alternative vote enables more than one preference to be registered, and decisions are determined by bare majorities.

Four years are to elapse before the first poll, and recurrent polls take place every third year. Under re-organisation a Central Board of Management, nominated by the Home Secretary and sanctioned by Parliament, is empowered to take over and conduct the trade in the area affected. It shall consist of paid members, debarred from engaging in Parliamentary or other business, and its functions shall be confined to the production and distribution of intoxicants in the area, subject to the supervision of the Justices and a Central Advisory Committee. This latter Committee is also to consist of unpaid members, composed as to two-thirds of representatives of the trade, the Local Authorities, and Temperance and Labour organisations.

Local Advisory Committees are also to be appointed on a voluntary basis consisting of nominees of the Licensing Justices and the Local Authorities.

The Central Board of Management is empowered to take over brewery concerns and all licensed premises in the area except hotels and railway refreshment rooms, to extinguish all redundant on and off licences, to raise the age at which young persons may be served with spirits to 18, to make such structural alterations as may be desired for the supply of food and non-intoxicants, to exercise supervision of sale in clubs, and to control the institution of new clubs. A requisition by 10 per cent. of the electors can demand a poll on Sunday trading.

A Central Compensation Fund, free from Treasury control, is to be maintained by the increase and extension of the trade levy imposed by the 1914 Licensing Act, the proceeds of the sale of redundant premises, and all profits made under re-organisation. Compensation will be made by annuities terminable in 15 years for licences abolished in both "no licence" and "re-organised" areas and for loss of employment occasioned thereby.

All matters concerning compensation are entrusted to Commissioners appointed by the Lord Chancellor, the Home Secretary, and the President of the Board of Trade, at salaries determined by the Treasury and payable, with expenses of staff and administration, from the Compensation Fund.

Twelve years value is the basis of purchase of on-licences immediately following the first poll, as recommended by the Sumner Committee in 1917. This is modified subsequently by twelve years purchase on the "brick-and-mortar" value being accompanied by nine years value of the licence after the second poll, six years after the third, and three years after any succeeding poll, variations applicable to special cases being provided for. Goodwill is compensated in addition upon a maximum of two years' profits.

Three years' purchase on the profits of an off-licence is stipulated, with power to increase same in the case of licences held since 1902.

Plant, stock, fixtures, etc., will be acquired by valuation by a joint valuer appointed by agreement wherever possible; and compensation for other property will be determined in accordance with the rules laid down by the Acquisition of Land (Assessment of Compensation) Act, 1919.

In areas voting "no licence," all on, off and club licences will be extinguished and compensation given.

THE POSITION OF THE WORKING-MAN'S CLUB

We naturally sought assistance in our inquiry from the Club and Institute Union, which includes a large proportion of the clubs established by the manual working wage-earners for their own social intercourse, as distinguished from clubs started from above, whether under philanthropic or political patronage.

There are 10,000 clubs of various kinds holding licences in the United Kingdom, and 2,400 of them are represented by the Club and Institute Union. Of a total

membership of between four and five millions the Union claim to have enrolled some 1,150,000.

The total consumption of intoxicants in the clubs as a whole is £18,000,000 out of £400,000,000, or only 4½ per cent. of the total sale in the United Kingdom in 1921. Some twelve co-operative breweries are run by clubs in various localities for the manufacture of their own supply of beer.

It is held that the clubs are not traders in the ordinary sense, but co-operative association of consumers, paying no dividends and supplying liquor to their own members without any regard to the question of private gain or profit, realised surpluses accruing in each case to the clubs as a whole.

The present law permits the easy suppression of clubs which exist only for drinking.

The average expenditure of club members on drink was, roughly, 1*s.* per week before the war, but now, owing to increased cost, is probably 3*s.* per week—averaging about 4*s.* 6*d.* in London and 2*s.* in the agricultural districts. At present, owing to the industrial depression, there is not sufficient drink sold to keep many of the clubs going, and the great majority are not at the moment self-supporting.

Clubs are debarred by rule from being subsidised by brewers. Probably 10 per cent. have built club premises by loans secured on mortgage, but any arrangement with a brewery in the position of creditor under such mortgage, whereby the club might be pressed to become "tied" premises, would involve exclusion from the Union.

The Union insists that there must be other features of club life besides the supply of drink, such as reading, billiards, and other games, interests which it endeavours constantly to extend. It also insists upon certain business-like methods, the existence of proper rules, the proper election and regular meetings of the club committee, the regular taking of stock, freedom from any tie to a brewer, and similar conditions. Owing to the laxity occasioned by the war, the Union is engaged in a personal examination by persons specially appointed of every club in the Union with a view to correcting such lapses as may exist.

Since the war, the educational aspect of club life has been carried on with great difficulty, but the Union spends about £4,000 a year under this head. It subsidises twelve students at Ruskin College and makes grants to persons engaged in correspondence courses of tuition. It is connected with the Workers' Educational Association and makes the fullest possible use of the facilities provided for classes and lectures. Assistance is also given to certain children of members otherwise unable to attend secondary schools. Four convalescent homes for the service of members have been purchased and are maintained by the Union.

The Union contends that the consumption of intoxicants is a common social habit of an overwhelming majority of the people, probably 90 per cent. of the adult male population, and as such should be regarded as beyond the right of any majority of electors or others to control. That being the case, if drinking is to be treated as an offence under a new standard of morality it should be on the initiative of Parliament and applicable to the State as a whole, and not by different localities being empowered to establish varying standards.

The Union is, therefore, opposed to Local Veto and Local Option, but takes up a position of benevolent neutrality towards State Purchase or Nationalisation, on the assumption that clubs would be left free to manage their own domestic affairs, only being required under such a system to buy their liquor from the Government.

Briefly, the view is pressed on behalf of the clubs that there is not now any urgent liquor problem to be considered, but that education of the individual and the development of personal character should be allowed full play, free from any further interference or restriction.

PUBLIC OWNERSHIP

The chief contention for Public Ownership is that a necessary preliminary to temperance reform is the elimination of the incentive to private gain which at present governs the manufacture, importation and sale of intoxicating liquor.

The existing licensing system is essentially illogical. It aims at reconciling two entirely irreconcilable things—the facility for obtaining drink and the restraint and restriction of sale.

The regulation of the liquor traffic by licence has by no means brought it within the bounds which might reasonably be assigned to it as ministering to the long-established habit of moderate drinking indulged in by vast numbers of the population. The necessity laid upon tied-house tenants, managers and others engaged in the supply of drink to increase their trade is too potent an influence, making for increased and unnecessary drinking, to remain for ever unrestrained. It is not a question whether drink is good or bad, or whether Prohibition is better than Local Option, but whether, if there are to be public-houses at all, it is better they should be owned by the people or by the brewers.

It has already been found needful in the public interest to curtail, and in many cases abolish, private interest in the supply of various forms of public transit, light and power, and many other services, the scope of which is being steadily widened.

Private profit made from the public demand for intoxicants involves either unnecessarily high prices or the diversion to individuals of a surplus which would much better be expended on communal purposes.

The problem of excessive drinking, so far as it continues to exist as a fruitful cause of crime, disease and death, can be dealt with more effectively when the trade is conducted with the sole object of the public welfare. Private profit has expressed itself in the unsatisfactory housing of the working classes and the resulting growth of slums, where the main element of the drink problem still awaits solution. It is undeniable that thousands of workers are too often driven to seek some degree of warmth, comfort and sociability in the public-house, and find that private interest rules and exploits their very indulgences, just as it rules and exploits their labour power and their daily necessities.

It is further held that public opinion in its relation to the conduct of the trade can be more readily, and if need be more drastically, expressed if the trade—productive and distributive, wholesale and retail—is in the sole possession of the public itself. How effectively even abnormal situations can be dealt with has been illustrated by the change wrought at Carlisle by the Control Board in 1920, referred to elsewhere. It is inconceivable that such circumstances could have been so successfully surmounted had it been necessary to deal with the large number of interests which were originally in possession, but which were bought out on satisfactory terms by practically one administrative act.

Under Public Ownership it will be in nobody's interest to support the cause of liquor, and liquor consumption will find its proper level. People who like to find a reasonable pleasure and perhaps, some physical betterment, in a moderate amount of intoxicants will be able to get them. Those who know and perhaps feel at heart that they are all the better without alcohol will never have it thrust upon them. On the one hand there need be no interference with personal liberty, reasonably exercised, and on the other hand no profit in making men drunk.

From the point of view of transforming waste into efficient service, public ownership would find most striking justification. There are some 3,500 breweries in the country at the present time, nine-tenths of them producing only one-tenth of the

whole production of beer. The scope for elimination and concentration here is obvious. There are also thousands of unnecessary retail licensed houses, which, by overcrowding each other in many districts, form unnecessary temptations to the excessive drinker. At a very low computation per house it will be recognised that centralisation would effect an enormous saving.

During the war period Departmental Committees were appointed to consider the financial aspects of State purchase as affecting (i) England and Wales, (ii) Scotland, and (iii) Ireland. From the data provided in the Committees' Reports, the total cost in pre-war values, so far as calculable, appeared to be somewhat more than £400,000,000, but substantially less than £500,000,000. The estimate for England and Scotland alone was £411,000,000 (pre-war value). These proposals, however, did not include the cost of acquiring the production and wholesale distribution of spirits, nor the production of British wines or cider.

It has always been assumed that a period of State control would precede purchase, but the basis of purchase was that of pre-war profits at a pre-war rate of capitalisation written down to the standard of capital values prevailing at the time of purchase. It is now admitted by its foremost advocates that purchase could not now be based on pre-war values, but would have to be reckoned upon the average net profits earned in the four or five years immediately preceding and capitalised on something approaching fifteen years' purchase. It may be noted that the scheme provides compensation for persons losing employment as a result of the closing of redundant premises and the centralisation of operations. Its advocates also emphasise the point that the difficulties and anomalies that follow the adoption of any method of " time limit " as applied to the trade are obviated by their proposals.

An important feature of Public Ownership would be the removal of the influence of the trade from the political life of the people, both nationally and municipally, without necessarily penalising those citizens who desire the continuance of facilities for securing liquor. The very candid creed expressed by the liquor interests, "Our trade our politics," can only be banished from public life by Public Ownership, thus releasing a vast amount of energy and influence for more desirable aims.

THE LICENSED TRADE

We find that the Liquor Trade, wholesale and retail, is hostile to any new form of interference with the conduct of their business, and as noted elsewhere, in Scotland it is working to secure the abolition of the options granted under the Temperance (Scotland) Act.

Local Option, like Local Veto, is looked upon as merely a stepping-stone to Prohibition. It is opposed as an infringement of the rights of the individual in a matter which is one purely of personal habit. Until the nation is convinced that the freedom to drink in moderation is wrong and must be prohibited no locality should have any right to interfere with a national habit recognised by national law.

It is held that the uncertainty created by Local Option prevents improvements and discourages the most desirable class of people from engaging in the trade. The various systems of compensation provided for in Temperance legislation are deemed inadequate, and, recognising the rights of property at present existing in the country, the taking away of a person's livelihood and goodwill, which may have taken a lifetime to create, is considered both unjust and indefensible. The differentiation between investors of capital in licensed as against other property, in liquor trade securities as against other stocks, is deemed invidious and unfair. It is contended that the reduced profits in the trade and the uncertainty as to its legislative future have already tended to reduce the supply of high-class tenants. Further, Prohibition does not prohibit : the drunkard in a "dry" area inevitably finds his way to an adjoining "wet" district,

and the anomaly of one side of a street being "dry" and the other "wet," as happens in some districts under the Scottish Act, is absurd. Moreover, the wealthy man can always buy in his stock, and thus it is demonstrated that Local Option laws are really class legislation of the worst kind; although it has been reported that working men have clubbed together for the wholesale purchase of liquor in "wet" areas for consumption in their own "dry" areas.

The trade is equally opposed to State or Municipal Ownership, and point out that no such suggestions are made with regard to any other licensed trade, such as billiards or game, or even when the goods sold are more dangerous than alcoholic liquors —poisons and explosives, for instance.

The Carlisle experiment is held to be a discouraging example of State trading, it being claimed that the conditions imposed by the Control Board are not from any point of view as satisfactory as they would have been under the system prevailing elsewhere. The opinions of the users and frequenters of the houses in Carlisle, without doubt, differ entirely from the opinions of people who prefer the houses to be completely closed. It is urged that a more soulless, unkind sort of place than Carlisle at the present time could only be found by searching the whole of England. The houses are more like barracks instead of suitable places for social intercourse. Instead of the old type of house where the landlord and his wife were practically the host and hostess, people living in one area and wanting a drink may have to walk a mile and then probably have to go into a larger house where the manager and everybody else are perfect strangers. The comfort and amenities of the public-house, from the point of view of the public, depend in no small degree upon the personal character and attention of the landlord. The trade view is that a very different and infinitely less pleasant and comfortable atmosphere would certainly be found in a soulless public institution presided over by civil servants or municipal employees.

From a financial point of view public ownership would certainly be a mistake, as it is alleged that recent experience has shown that it is impossible for a business to be conducted by a Government Department anything like so profitably as by a private concern. In the present state of national finance the payment of reasonably adequate compensation would be impossible, and to expropriate against their will all the members of a perfectly legitimate and respectable trade, carried on for centuries by private enterprise, would, in the opinion of that trade, be a monstrous outrage.

For many years the trade, whilst paying its way, has been the means of bringing vast sums to the National Exchequer, and at present is finding a large proportion of the total revenue. Under State or Municipal Control, the trade suggests that this contribution would disappear, while profit on trading would probably fail to make the deficiency good.

The attitude of the trade to "disinterested management" is similarly based on the argument that the man best suited to conduct a licensed business is the responsible and respectable tenant who is financially interested in the premises he is managing, and has thereby the most direct incentive to run his business on lines which will not contravene the licensing laws. The view of many in the trade is that under "disinterested management" there is an absence of comfort in the house so controlled as compared with the old-fashioned hotel. In the words of a representative of the trade:—

> "You sit down and feel that the tablecloth has been ordered by a Board in London, and the slices of bread and butter are served out almost to scale, and altogether there is an absence of that personal comfort that anyone who has been accustomed to travel and stay in the ancient hotels in England used to experience."

Nevertheless, considerable evidence is forthcoming that many brewers are seeking to provide improved types of houses and increase the services rendered to the public by the supply of restaurant facilities and the sale of non-intoxicants, as they realise that the better the house the better the character of the trade. Until recently, however, the attitude of many licensing Justices has not been helpful, and in some cases plans for such improvements have been refused on the assumption that the increased facilities, by attracting more customers, would naturally lead to a greater bulk consumption of intoxicants. In the London area, however, the licensing Justices have shown some indication of relinquishing their hostility in this respect.

With regard to its attitude to clubs, the trade desire that the consent of the licensing Justices should be required before registration; that the hours of sale should be similar in both clubs and licensed houses; that no clubs should be allowed in premises recently de-licensed; that the off-sales in clubs should be entirely prohibited; and that all facilities given to clubs for the provision of games and entertainments should be allowed to licensed premises also.

With regard to off-licenses generally—a form of sale which was legalised in 1830—the trade urges that the intention of the legislators to provide for the wants of that portion of the consuming public who have neither the convenience, the means, nor the general desire to keep cellars, continue to be properly carried out.

The suggestion frequently made that grocers' licenses encourage surreptitious sales and intemperance among women is without foundation, there being no recorded case of a license being refused on such grounds.

Briefly, the trade's contention is that the drink problem does not now exist to anything like the degree that was formerly the case, and that were the trade left alone without interference the result would be better for all concerned.

CONCLUSIONS

We have done our best to set out, fairly and comprehensively, what must be recognised as a problem of great difficulty and complexity. We think that it is plain that the case is not one for the exclusive adoption, at the present moment, of any single plan of reform. When the situation has to be dealt with by the Labour Government—or, indeed, by any Government really in earnest on the subject—it will need the application of more than one plan, and must, in fact, be grappled with at all points by a combination of methods. For these reasons we deprecate any attempt to commit the Party to any particular panacea, however promising it may seem to its advocates, to the absolute exclusion of other proposals. It may well be that they will all be required, to a greater or lesser degree, before the problem can be solved.

For like reasons we suggest that there can be no advantage at the present juncture in seeking to come to any decision on the details of any proposal whatsoever. In the adoption and working out of any principle, much will depend on such points as the area or the authority to be employed, the exceptions to be made, the methods or the limitations of control, the financial considerations involved, and the relation one to another of all these and many other important details. No useful purpose can be served by erecting such matters into issues of controversy at the present stage.

It must be recognised, even by those holding diverse views as to the plan or the method of temperance reform, that the enormous vested interest in the manufacture and sale of alcoholic beverages constitutes, in itself, a serious obstacle to every kind of reform. It can be forcibly argued that no effective temperance reform is possible so long as so great an interest as the liquor interest is in private hands.

If, therefore, we do nothing on this point, we must look forward to a long period during which the efforts of private persons who desire any kind of temperance

reform will be opposed by the money and organisation of one of the most formidable vested interests in the country. In fact, the political power of the "trade" is now a standing menace to promoters of reforms of any kind in Parliament or at Parliamentary elections.

Further, we may safely conclude that, whatever scheme of reform is adopted, regard must be had to local public opinion. Assuming that provision is made for the demands of travellers, democratic principle requires that localities must be allowed to decide for themselves what they desire in the way of facilities for obtaining alcoholic beverages. Thus, whatever else is done, it seems as if local option in some form must be accepted.

Yet no further encroachment on personal liberty can be justified than is imperatively called for in the common interest, and *it is accordingly necessary to place reliance on the progress of education and on moral suasion*. The rich man will always be able to procure alcoholic beverages if he chooses to pay for them. It is urged that what must be allowed to one rich man cannot fairly be denied to a group of poor men who choose to co-operate to provide for themselves. Thus, the mutual club, not run for profit, admitting only its own members and confined to adults, may put forward a strong claim to be put on the same footing as an individual rich man, subject only to such reasonable public regulations as may be required to prevent evasion, abuse or nuisance to others. Other exceptions connected with the provision for travellers, ships and railway trains, the requirements of the medical profession and those of religious observances have to be taken into account. Within what areas, and subject to what limitations and conditions these requirements should be recognised, requires the most careful consideration.

If, then, we recognise that the complexity of the problem and the diversity of local conditions—equally with the differences of opinion that prevail—necessarily involve, for any effective treatment, the simultaneous adoption of more than one method of reform; if we foresee that any practicable measure must almost certainly approach the problem by a combination of expedients; and if we take account of the unwisdom of making the issue turn on such points of detail as areas, authorities or exceptions, we can only recommend that the Conference should content itself with reaffirming the statement of policy contained in *Labour and the New Social Order*, as authorised by the Conference of London (1918), in the following terms, viz.:—

"The Labour Party sees the key to Temperance Reform in taking the entire manufacture and retailing of alcoholic drink out of the hands of those who find profit in promoting the utmost possible consumption. This is essentially a case in which the people, as a whole, must assert its right to full and unfettered power for dealing with the licensing question in accordance with local option. For this purpose, in conjunction with any expropriation of private interests, localities should have conferred upon them facilities, at their own option:—

(*a*) To prohibit the sale of alcoholic drink within their own boundaries;

(*b*) To reduce the number of places of sale and regulate the conditions of sale; and

(*c*) To determine, within the fundamental conditions prescribed by Statute, the manner in which the public places of refreshment and social intercourse in their own districts shall be organised and controlled."

APPENDIX I

"PROFITS ON BEER"

The following table was published in the *Daily Express*, February 3, 1923, under the above heading:

	1919	1920	1921
Allsopp's 5 p.c. Part Preference	7¾	7¾	6½
Barnsley, Ltd. .. .. (In 1919 this brewery paid their shareholders also 100 p.c. scrip bonus)	12½	12½	12½
*Bass, Ratcliff, Gretton, Ltd. .. .. .. (In 1919 a scrip bonus of 50 p.c. was also paid)	16	11	11
Bell & Co.	12	10	10
Bent's, Ltd. .. .. (Nil in 1913)	15	15	15
Birkenhead, Ltd.	18	20	10
Boddington's	15	15	14
*Bramptons	13	14	14
Bristol, Ltd. .. .. (In 1918 there was a 25 p.c. scrip bonus)	16	16	16
Bristol United	15	15	16¼
Chesters, Ltd.	25	20	20
City of London .. .. (Nil in 1913)	35	25	20
Daniell & Sons .. .. (1 p.c. in 1913)	8	8	8
*Guinness .. .. (Guinness in 1918 gave their shareholders a special bonus of 20 p.c. in War Loan)	16	20	25
Huggins & Co.	15	10	10
Ind, Coope & Co.	15	25	40
Lion, Ltd.	15	14	15
Mitchells & Butler .. .. (In 1918 they also gave a 50 p.c. scrip bonus and again in 1919 100 p.c. scrip bonus)	15	10	10
Newcastle, Ltd. .. .. (In 1919 they also gave 100 p.c. scrip bonus)	17½	12½	10
*Northampton, Ltd.	12½	12½	12½
Strettons Derby	15	15	15
Style & Winch .. .. (In 1918 this firm also gave 33 1–3 p.c. scrip bonus)	11¼	10	10
Threlfalls .. .. (In 1920 this firm also gave 50 p.c. scrip bonus)	30	30	20
*Walkers Homfrays	20	20	20

* *These dividends are paid free of income tax.*

BREWERS' PROFITS

Company	1914–15 *Net Profit* £	1919–20 *Net Profit* £	1920–21 *Net Profit* £	1921–22 *Net Profit* £
A. Guinness	1,511,678	3,363,092	3,729,803	2,925,755
Barclay, Perkins	81,073	339,043	160,682	175,964
Bass, Ratcliff	256,789	454,290	403,515	386,067
Bent's	43,443	78,071	39,058	38,863
Boddington's	45,381	75,958	71,107	70,738
Cannon	159,341	125,931	157,439	157,241
Chester's	53,373	95,517	84,622	104,210
Huggins & Co.	20,406	46,463	58,924	32,469
Mitchells & Butler ..	208,533	505,617	430,089	430,004
Newcastle	56,067	177,043	113,990	61,994
Watney, Combe	233,211	736,206	281,524	614,619
W. B. Reid	38,159	90,656	73,111	31,004
Whitbread	75,680	193,834	161,339	177,788
William Hancock	37,836	71,143	56,116	45,137
Total ..	2,820,970	6,352,864	5,821,319	5,251,853

The following table is based on an analysis of Dividends on Ordinary Shares paid by 114 companies as recorded in the *Brewing Trade Review* and the *Brewing Manual*:

Per Cent.	1913 *No. of Companies*	1921 *No. of Companies*
No dividend	27	*Nil*
–5	10	3
5–10	46	17
10	17	41
–15	9	17
15	2	23
–25	3	9
25 and over	—	4

DECREASED COSTS OF PRODUCTION

Since 1920 there have been considerable reductions in the costs of production in the brewing trade.

(1) The wages of brewery workers, which form only a relatively small part of brewing costs, have fallen by at least 10*s.* a week (Brewers' Society estimate).

(2) The average price of British malt in March, 1920, was 47*s.* 6*d.* per cwt., and in February, 1922, the price had fallen to 28*s.* 2*d.* per cwt.—a drop of 41 per cent.

(3) The *Gazette* average price for British barley per 400 lb. was, March, 1920, 97*s.* 4*d.*; and March, 1922, 41*s.* 3*d.*—a drop of nearly 58 per cent.

(4) There has also been a drop in the price of brewing sugars, casks, bottles, etc.

EXTRA PROFITS ON NEW BEER DUTY

In April, 1920, the beer duty was increased by 30*s.* per "standard" barrel. In levying this extra tax, Mr. Austen Chamberlain stated that he was "satisfied that the profits of the brewing trade would permit of some further increase in the beer duty without raising the price of beer to the consumer," which shows that a Conservative Chancellor thought that brewers' profits at that date were excessive. Nevertheless, he authorised the raising of the price to the consumer of 1*d.* per pint. Not only did the brewers pass on this extra duty, but made a profit of 1*s.* 1*d.* per barrel *out of the tax!* Moreover, the *tax profit* has been much greater on the cheaper beers, as the following table will show:—

Gravity	*Retail price per pint*	*Actual amount of extra duty chargeable per barrel*	*Profit on new tax per barrel*
		s. d.	*s. d.*
1030 degrees	5*d.*	16 4½	7 7¾
1032 ,,	5*d.*	17 5½	6 6½
1035 ,,	6*d.*	19 1	4 11
1037 ,,	6–7*d.*	20 2	3 10
1038 ,,	6–7*d.*	20 8¾	3 3¼
1042 ,,	7*d.*	22 11	1 1

The total amount of extra profit reaped in this way by brewers in Great Britain alone since April, 1920, cannot have fallen short of from £3,000,000 to £3,500,000.

DILUTION

In the debate in the House of Commons on the increased beer and spirit duties in April, 1920, Mr. J. R. Clynes, M.P., said: "The point I want to make seriously is that, if spirits and beer are to bear a still further burden, consideration should be given to the question of improving their quality and making them worth something like the price paid."

In 1914, 37,558,767 Bulk Barrels of Beer were produced in the United Kingdom of an average specific gravity of 1052·80 degrees.

In 1922 the output was 30,178,731 bulk barrels of an average specific gravity of 1042·88 degrees—a reduction of 10 points on the average specific gravity or 13 degrees below the "standard" gravity of 1055 degrees.

In 1914 the extent of dilution (the difference between "standard" and bulk barrels) was represented by 1,545,000 water barrels; in 1922 by 6,665,000 water barrels.

This can be illustrated in another way by comparing the materials used in the brewing of beer in the United Kingdom before the war with those used in 1921 (1922 figures not available).

	Amount used per barrel	
	1914	1921
Malt	1.4 bushel	1.0 bushel
Rice, Maize, etc.	4.6 lb.	3.3 lb.
Sugar (including its equivalent of syrups, glucose and saccharin)	9.7 lb.	6.4 lb.
Hops	1.7 lb.	1.5 lb.

APPENDIX II

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GOVERNMENT PUBLICATIONS

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Licensing Statistics. (Home Office), 1*s.* 3*d.*

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State Purchase of the Licensed Liquor Trade (Scotland). (Cd. 8319, 1916); ½*d.*

State Purchase and Control of the Liquor Trade: Reports of English, Scottish and Irish Committees, 1918. (Cd. 9042); 9*d.*

APPENDIX III

TRADE ORGANISATIONS

BREWERS' SOCIETY, 5 Upper Belgrave Street, S.W.1.

LICENSED VICTUALLERS' NATIONAL DEFENCE LEAGUE, Bridge House, 181 Queen Victoria Street, E.C.4.

NATIONAL FEDERATION OF OFF-LICENCE HOLDERS' ASSOCIATIONS, Ceylon House, Eastcheap, E.C.3.

NATIONAL TRADE DEFENCE ASSOCIATION, 5 Upper Belgrave Street, S.W.1.

SCOTTISH LICENSED TRADE DEFENCE ASSOCIATION, 32 Queen Street, Edinburgh.

REFORM ORGANISATIONS

LABOUR CAMPAIGN FOR THE PUBLIC OWNERSHIP AND CONTROL OF THE LIQUOR TRADE, Holborn Hall, Gray's Inn Road, W.C.1.

TEMPERANCE COUNCIL OF THE CHRISTIAN CHURCHES OF ENGLAND AND WALES, Abbey House, Westminster, S.W.1.

TEMPERANCE LEGISLATION LEAGUE, Parliament Mansions, Victoria Street, S.W.1.

UNITED KINGDOM ALLIANCE FOR THE SUPPRESSION OF THE LIQUOR TRAFFIC, 1 Victoria Street, S.W.1.

WORKING MEN'S CLUB AND INSTITUTE UNION, LTD., Club Union Buildings, Clerkenwell Road, E.C.1.

APPENDIX IV

PREVIOUS DECLARATIONS OF LABOUR PARTY POLICY ON THE DRINK PROBLEM

"That this Conference, realising the evils existing through the private control and sale of intoxicating drink, calls for the public control and ownership of the same by Municipalisation, and instructs all representatives of the L.R.C. to bring this question prominently forward."

(*Liverpool Conference : January,* 1905.)

"It being admitted by Judges, Magistrates, Chief Constables, Poor Law Administrators, Governors of Gaols and Lunatic Asylums, Ministers of Religion of all Denominations, and Social Workers generally, that the Drink Traffic is a fruitful source of poverty, crime, and lunacy, this Conference is of opinion that the time has arrived when the workers of the nation should demand that a law be enacted giving the inhabitants of every locality the right to veto any application for either the renewal of existing licenses or the granting of new ones, seeing that public-houses are generally situated in thickly-populated working-class districts."

For the resolution	..	..	666,000
Against	..	..	103,000

(*London Conference : February,* 1906.)

"That in the opinion of this Conference any measure of Temperance Reform should confer upon localities full and unfettered power for dealing with the licensing question in accordance with local opinion. By this means localities should be enabled to—

(*a*) Prohibit the sale of liquor within their boundaries;

(*b*) Reduce the number of licenses and regulate the conditions under which they may be held; and

(*c*) If a locality decides that licenses are to be granted, to determine whether such licenses shall be under private or any form of public control."

(*Belfast Conference : January,* 1907.)

"The Labour Party sees the key to Temperance Reform in taking the entire manufacture and retailing of alcoholic drink out of the hands of those who find profit in promoting the utmost possible consumption. This is essentially a case in which the people, as a whole, must assert its right to full and unfettered power for dealing with the licensing question in accordance with local opinion. For this purpose, in conjunction with any expropriation of private interests, localities should have conferred upon them facilities, at their own option:

(*a*) To prohibit the sale of alcoholic drink within their own boundaries;

(*b*) To reduce the number of places of sale and regulate the conditions of sale; and

(*c*) To determine, within the fundamental conditions prescribed by statute, the manner in which the public places of refreshment and social intercourse in their own districts shall be organised and controlled."

"*Labour and the New Social Order*" (1918.)

"That this Conference, believing that private capitalism in the drink trade has been guilty of profiteering, promoting excessive drinking, and corrupting political life; and noting that the principles of the experiment carried out by the State in the Carlisle area have been endorsed by the Carlisle Trades Council and Labour Party and by a representative Trade Union and Labour Deputation which visited Carlisle, calls upon the Government in its forthcoming legislation to acquire the liquor interests in England and Wales at not more than pre-war values.

"Further, this Conference instructs the Executive Committee to bring the views of the Conference on this question before the Prime Minister and the Government forthwith, and to take the necessary steps to promote a Bill to give effect to this Resolution."

AMENDMENT

"That this Conference is of the opinion that the total prohibition of the manufacture and sale of intoxicating liquors as beverages will be of great advantage to the workers of this country."

For the Amendment ..	472,000
Against	2,603,000
For the Resolution	1,352,000
Against	1,672,000

(*Scarborough Conference : June*, 1920.)

"This Conference, believing that the Liquor Traffic is a trade in respect of which the people as a whole must assert full and unfettered power in accordance with local opinion, demands for this purpose that the localities should have conferred upon them facilities:

(*a*) To prohibit the sale of liquor within their own boundaries;

(*b*) To reduce the number of licences, and regulate the conditions under which they may be held; and

(*c*) If localities decide that licences shall be granted, to determine whether licences shall be under private or public control."

For the Resolution	2,003,000
Against	623,000

(*Scarborough Conference : June*, 1920.)

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